

Do customer knowledge and customer trust in IDIC affect bank customer retention? Evidence from Indonesia

Muhammad Simba Sembiring¹, Sisi Maghfirah Rahmah Sembiring^{2,*}

Universitas Sumatera Utara, Indonesia^{1,2}

Corresponding e-mail: sisimagfirah17@gmail.com*

ABSTRACT

Purpose — *The primary focus of this research was to examine the impact of customer knowledge and customer trust in Indonesia Deposit Insurance Corporation (IDIC) on the retention of bank customers in Indonesia.*

Method — *The study employed a cross-sectional design and quantitative survey study. Questionnaires were distributed randomly to respondents via social media. 141 respondents from bank customers in Indonesia have been analyzed. Hypothesis testing is done by multiple linear regression analysis with structural equation modeling and SmartPLS as a statistical tool.*

Result — *The results show that the average bank customer in Indonesia has sufficient knowledge about the role, function, task, and performance of IDIC. However, knowledge needs to be improved because some customers do not understand it well. The results provide empirical evidence that customer knowledge and customer trust in IDIC have positive influence on bank customer retention.*

Contribution — *There is a new concept with the integration of two theories that will benefit future research. The findings contribute to addressing research gaps that have inconsistent results. The findings also contribute to improving customer knowledge and customer trust as a solution to the impact of the COVID-19 pandemic and the global financial crisis. This study supports the G20 in strengthening financial safety nets, where multilateral development banks are encouraged to strengthen their financing systems to face global economic challenges.*

Keywords: *Indonesia Deposit Insurance Corporation, customer knowledge, customer trust, bank customer retention*



INTRODUCTION

Financial institutions have significant contribution to the growth and development of national economy ([Galletta et al., 2021](#)). As financial institutions, banks provide short-term deposit services and long-term investments in the forms of loans ([Havidz & Setiawan, 2015](#)). However, due to the Asian Financial Crisis in 1997, 16 private-national banks had to be liquidated which decreased customers' trust in banks ([Dale, 2000](#); [Trinugroho et al., 2012](#)). To regain the trust, Indonesian government established Indonesia Deposit Insurance Corporation (IDIC) or Lembaga Penjamin Simpanan (LPS) in 2005 ([Nizar & Mansur, 2023](#)).

Unfortunately, the Global Financial Crisis (GFC) that occurred in 2008 once again caused the customers' trust to decline ([Atahau & Cronje, 2020](#); [Probohudono et al., 2013](#)). The GFC brought major impacts on loans, currency depreciation, and a contraction in non-oil and gas exports ([Achsanta et al., 2021](#)). Indonesian government has taken all necessary measures to strengthen IDIC ([Jameaba, 2018](#)). Even more, customers massively withdrew their savings after the case of PT. Bank Century in 2008 came out ([Angkinand & Wihlborg, 2010](#)). In 2020, Indonesia experienced another global crisis, the impact of the COVID-19 pandemic. This crisis was more severe than 2008, but not as bad as 1998 ([Cheema et al., 2022](#); [Chen & Yeh, 2021](#)). IDIC was appointed by the government to handle the case by protecting the customers' deposits at Bank Indonesia and to maintain the stability of the banking system ([IDIC, 2023](#)). IDIC was also established is to formulate, establish, and implement policies for failed banks that can bring both systemic and non-systemic impacts ([Jameaba, 2018](#)).

Initially, the amount guaranteed by IDIC reached IDR 2 billion from each deposit ([IDIC, 2023](#)). In August 2021 (Table 1), IDIC officially increased the amount to IDR 2,947 trillion, partial guarantees to IDR 617 trillion, and non-guaranteed deposit to IDR 3,562 trillion ([Databoks, 2021](#)). IDIC has been working to improve its performance and is committed to strengthening the financial safety. [Databoks \(2022b\)](#) regarded IDIC successful in liquidating 117 banks in Indonesia from 2006 to the end of 2021, including 116 Rural Credit Banks or Sharia Rural Banks, as well as 1 default commercial bank (Table 2). IDIC returns customers' deposits that meet the eligibility criteria. There has been a total of IDR 1.7 trillion paid to 265,884 deposit accounts paid by IDIC. This condition implies that every year, some banks have poor performance, raising the concerns of the customers in spite of the guarantee provided by IDIC.

Table 1. Amount guaranteed by IDIC

Description	Total guaranteed
Fully guaranteed	IDR 2.947 trillion
Partial guaranteed	IDR 617 trillion
Non-guaranteed	IDR 3.562 trillion

Source: (Databoks, 2021)

Table 2. IDIC liquidating 117 banks in Indonesia from 2006 to the end of 2021

Year	Total Liquidating
2006	6 banks
2007	5 banks
2008	4 banks
2009	6 banks
2010	10 banks
2011	15 banks
2012	1 banks
2013	9 banks
2014	6 banks
2015	4 banks
2016	10 banks
2017	9 banks
2018	7 banks
2019	9 banks
2020	8 banks
2021	8 banks

Source: Databoks (2022b)

IDIC statistics for August 2022 showed that DKI Jakarta ranked 1st as the province with the highest amount of total customer deposits that reached IDR 3,977 trillion (Table 3). In 5th place is North Sumatera (IDR 297 trillion) (Databoks, 2022a). IDIC is expected to improve this trust (Alam et al., 2021; Triggs et al., 2019). Nonetheless, the awareness about the function of IDIC in several provinces in Indonesia is still low (Alamsyah et al., 2020).

Table 3. Province with the highest amount of total customer deposits

Province	Total customer deposits
DKI Jakarta	IDR 3.977 trillion
East Java	IDR 703 trillion
West Java	IDR 639 trillion
Central Java	IDR 377 trillion
North Sumatera	IDR 297 trillion

Sources: Databoks (2022a)

In 2004, the Indonesian government issued the Law Number 24 regarding IDIC which operational activities started by September 22, 2005. IDIC was created to maintain the banking system in Indonesia and to appease bank customers amid

the situation. IDIC is expected to be a leading, trusted and recognized institution that can guarantee customer deposits and carry out bank resolutions to encourage and maintain financial system stability. IDIC is committed to show integrity, collaboration, accountability, respect and excellence. [IDIC \(2023\)](#) emphasizes that the function of this institution is to guarantee customer deposits and maintain the consistency of the banking system. IDIC is responsible for formulating, creating, and implementing a range of regulations pertaining to deposit insurance. Additionally, it aims to ensure the financial stability by implementing deposit insurance measures and devising solutions for banks facing default situations. IDIC also has some authorities that include (1) determining and collecting loan premiums and bank contributions, (2) managing IDIC assets and liabilities, (3) storing all data from banks, (4) performing reconciliation, verification and confirmation of data from banks, (5) creating the terms, procedures and conditions for payment of claims, (6) assigning other parties in charge, and (7) stipulating administrative sanctions ([IDIC, 2023](#)).

In 2016, the Law Number 9 was issued, where the task of IDIC was expanded to the prevention of crises through banking restructuring program. In 2020, the Law Number 2 was issued to deal with threats that endanger the national economy and financial system stability. As a member of the Financial System Stability Committee, IDIC is making the best effort to keep the national financial system stable amid the problems occurring from the COVID-19 pandemic ([IDIC, 2023](#)). The readiness to face global economic challenges by strengthening financial safety net was the most interesting topic at G20 in 2022. In general, financial safety net includes 3 main elements: a deposit insurance system, regulatory policies, and the central bank as lender of last resort ([Trinugroho et al., 2020](#)). The guarantee system strongly affect the customer trust and bank-runs. In addition, if bank failure occurs, IDIC will be ready to return the deposit based on the predetermined criteria ([Nizar & Mansur, 2023](#)).

Moreover, knowledge is the most important asset in one's belief ([Eling, 2011](#)). Inadequate knowledge of the public about the role of IDIC leads to inadequate customer perceptions about the banking system which has been regarded full of uncertainties ([Alamsyah et al., 2020](#)). There are important aspects related to deposit insurance, namely non-holistic information, moral hazard, and risk-based pricing ([Freixas & Rochet, 2006](#)). Most of the customers find it hard to completely trust the information that is directly conveyed by the government ([Nys et al., 2014](#)). Television is an information medium that can generate public trust, yet people nowadays prefer listing to information shared on social media ([Butzbach, 2014](#); [Filipiak, 2013](#); [Fungáčová et al., 2021](#); [Suljić Nikolaj et al., 2022](#)). Trust is an important factor in the relationship between customers and

banks. Customers will be more likely to continue saving in the bank if they feel that the bank can be relied upon to keep and manage their funds safely. Customers tend to choose banks that they believe can keep their funds safe (Sumaedi et al., 2015).

Previous research examined customer knowledge on customer retention in the context of banking. There is a strong relationship between customer knowledge and bank customer retention (Bhat & Darzi, 2016; Kabue, 2021; Karim & Habiba, 2020). Trust is the most important determinant of bank customer retention. Previous research provides empirical evidence that there is a relationship between trust and bank customer retention (Famiyeh et al., 2015; Liu & Louvieris, 2006; Milan et al., 2015; Ricadonna et al., 2021; Simanjuntak et al., 2020).

The majority of previous research measures bank customer retention with knowledge based on the concept of customer relationships (Kabue, 2021) or bank customer retention with trust based on the concept of commitment-trust theory (Liu & Louvieris, 2006). However, research that measures bank customer retention with the integration of knowledge and trust is very limited. Research on bank customer retention only focuses on the performance of the bank itself (Famiyeh et al., 2015; Karim & Habiba, 2020) without paying attention to key supporters such as IDIC. IDIC is an independent institution from the government that will strengthen customer perceptions of banks. So far, there is no research that combines knowledge and trust in IDIC to bank customer retention, especially in Indonesia. Therefore, this study combines two factors with different theories based on customer perceptions of IDIC to measure bank customer retention.

The purpose of this study is to explore the relationship between customer knowledge and customer trust in IDIC on bank customer retention in Indonesia based on the concept of customer relationship and commitment-trust theory. Knowledge and trust are applied in this study, due to their strong influence and high validity on bank customer retention (Kabue, 2021; Liu & Louvieris, 2006). The study consists of an introduction, a brief overview of the methods, an in-depth discussion of the results, and a summary of the conclusions.

METHOD

A survey was conducted by distributing online questionnaires to bank customers in Indonesia. This study employed a cross-sectional design to investigate the bank customer retention. Questionnaires were distributed to random customers on social media. All questionnaire items were modified by (Alamsyah et al., 2020;

Bhat & Darzi, 2016; Kabue, 2021). There were 141 respondents as final sample. This study uses partial least square (PLS) structural equation modeling with SmartPLS as the data analysis technique tool. According to (Vinzi et al. (2010), the data testing carried out does not require the data to be normally distributed. SmartPLS is also appropriate for analyzing more than one dependent variable and can directly analyze with indicators. The analysis model with SmartPLS can contain formative or reflective indicators. Its flexibility can handle complex models and constructs (Hair et al., 2010).

Hypotheses development

Customer knowledge and bank customer retention

The concept of customer relationship was developed by Kim et al. (2003) to explain the strategy of maintaining good relationships between companies and their customers through information received (knowledge). Huiming & Yi (2011) define knowledge as information that individuals know very well. Knowledge has an important role in responding to each customer's needs, based on information obtained from the technology base (Kabue, 2021). In addition to attracting customers, the company's main goal is to retain its customers. Customers who understand the function and role of IDIC will feel safe and continue to save money at the bank. Alhawari (2012); Yaghoubi et al. (2011); Yim et al. (2004) found that customer knowledge has a significant relationship with bank customer retention. Sayed (2011) revealed that there is a high influence between customer knowledge and bank customer retention. Therefore, the research hypothesis is as follows:

H1: Customer knowledge has a positive influence on bank customer retention

Customer trust and bank customer retention

Morgan & Hunt (1994) created the Commitment-trust theory modified by Vatanasombut et al. (2004) explaining that trust is the main key to maintaining good relationships with customers in the long term. (Vatanasombut et al. (2004) indicated that the establishment of trust in a relationship is very important to maintain bank customer retention. Customers will stop subscribing when the level of trust is no longer there (Walczuch & Lundgren, 2004). Famiyeh et al. (2015); Gounaris (2005); Liu & Louvieris (2006) provide empirical evidence that customer trust affects bank customer retention. Therefore, the research hypothesis is as follows:

H2: Customer trust has a positive influence on bank customer retention

RESULT AND DISCUSSION

Table 4 displays the demographics of the respondents obtained. It can be seen that the majority of respondents were female (80.9%) with a high school education (55.3%). The questionnaire was distributed online through social media. Therefore, the dominant respondents who answered were aged 18-25 years (83%) with student status (69.5%), where generation Z is very familiar with social media (Jahan & Shahria, 2022). On average, respondents come from West Java (22%). Meanwhile, the majority of respondents have an income of 1,000,000-3,000,000 IDR/month (46.1%). Based on the bank that is often used, respondents are dominated by BRI customers (25.5%) with a length of use of up to 1-5 years (68.1%).

Table 4. Respondent demographics

Construct	Characteristics	Frequency	%
Gender	Female	114	80.9%
	Male	27	19.1%
Last education	Senior High School	78	55.3%
	Undergraduate	47	33.3%
	< Senior High School	11	7.8%
	Postgraduate	5	3.5%
Age	18 – 25 years	117	83.0%
	26 – 30 years	13	9.2%
	> 30 years	7	5.0%
	< 18 years	4	2.8%
Job	Student	98	69.5%
	Employee	21	14.9%
	Entrepreneur	14	9.9%
	Others	3	2.1%
	Not work	3	2.1%
	Civil Servant	2	1.4%
Income per month	1.000.000 – 3.000.000 (IDR)	65	46.1%
	< 1.000.000 (IDR)	46	32.6%
	4.000.000 – 6.000.000 (IDR)	20	14.2%
	> 6.000.000 (IDR)	10	7.1%
Most of the type banks used	BRI	36	25.5%
	BNI	32	22.7%
	CENTRAL ASIA	23	16.3%
	BSI	17	12.1%
	MANDIRI	11	7.8%
	KEB HANA INDONESIA	4	2.8%
	Lainnya	4	2.8%
	CIMB NIAGA	3	2.1%
	BANK SUMUT	2	1.4%
	BI	2	1.4%
	BTPN	2	1.4%
	ANZ INDONESIA	1	0.7%
	BUMI ARTA	1	0.7%
	DANAMON INDONESIA	1	0.7%

Construct	Characteristics	Frequency	%
Duration of becoming a bank customer	OCBS NISP	1	0.7%
	SINARMAS	1	0.7%
	1 – 5 years	96	68.1%
	< 1 years	23	16.3%
	6 – 15 years	20	14.2%
	> 15 years	2	1.4%
Domicile	West Java	31	22.0%
	DKI Jakarta	30	21.3%
	North Sumatra	25	17.7%
	East Java	15	10.6%
	Central Java	8	5.7%
	Banten	7	5.0%
	Yogyakarta Special Region	5	3.5%
	Riau	4	2.8%
	Nanggroe Aceh Darussalam	3	2.1%
	South Sulawesi	3	2.1%
	Lampung	2	1.4%
	West Sumatra	2	1.4%
	South Sumatra	2	1.4%
	Bali	1	0.7%
	West Kalimantan	1	0.7%
	East Kalimantan	1	0.7%
	East Nusa Tenggara	1	0.7%

Source: Output from excel 2013, processed by the authors (2023)

Table 5 shows that the majority of respondents (53.9%) understand the role and function of the IDIC, but 8.5% of respondents do not understand it. The dominant respondents (53.9%) agreed that they understand the performance of IDIC in protecting customer deposits well. However, 9.2% did not understand it well, and even 1.4% of respondents really did not understand how IDIC protects bank customers' deposits. The majority of respondents (53.2% and 43.3%) have a good understanding of the IDIC guarantee limit amount and claim procedures when banks default. However, 9.9% and 10% of respondents did not understand the concept of the IDIC guarantee limit amount and bank default claims, respectively.

Table 5. Statistic descriptive of customer knowledge

Knowledge	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
I understand the role and function of IDIC.	2	1.4%	12	8.5%	18	12.8%	76	53.9%	33	23.4%
I have a good understanding of how IDIC performance to protect customer deposits.	2	1.4%	13	9.2%	9	6.4%	76	53.9%	41	29.1%

I understand well the amount of IDIC's guarantee limit for customer deposits.	5	3.5%	9	6.4%	11	7.8%	75	53.2%	41	29.1%
I understand the claim procedures that must be carried out in the event of a bank default.	7	5.0%	7	5.0%	23	16.3%	61	43.3%	43	30.5%

Source: Output from excel 2013, processed by the authors (2023)

It can be seen in Table 6 that the dominant respondents (45.4%) believe in the performance of banks since the existence of IDIC. However, 4.3% do not believe and 11.3% still doubt the performance of banks despite IDIC. Meanwhile, the majority of respondents (47.5%) believe in saving in banks with large amounts because of the existence of IDIC. However, 2.8% and 12.8% of respondents do not believe, and even hesitate to save in banks with large amounts. The majority of respondents (47.5%) agree that customers always believe in the duties, functions and authority of IDIC, although 14.2% of respondents still have doubts about this.

Table 6. Statistic descriptive of customer trust

Trust	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
I trust the performance of all banks because of IDIC.	0	0%	6	4.3%	16	11.3%	64	45.4%	55	39.0%
I believe in keeping large amounts of money in the bank because of the IDIC.	0	0%	4	2.8%	18	12.8%	67	47.5%	52	36.9%
I trust the tasks, functions, and authorities that IDIC carries out.	0	0%	2	1.4%	20	14.2%	67	47.5%	52	36.9%

Source: output from excel 2013, processed by authors (2023)

Table 7 shows that the majority of respondents (51.8% and 43.3%) agreed to continue saving money and increase their savings by a large amount in the bank, due to the role of IDIC. However, 11.3% and 14.9% of respondents are still unsure. The majority of respondents (45.4%) would deposit money in the bank again if they had withdrawn a large amount. Meanwhile, dominant respondents (45.4%) strongly believe that IDIC has proven to guarantee the deposits of all customers in the bank. However, 13.5% of respondents still have doubts, and even 3.5% of respondents disagree with this statement.

Table 7. Statistic descriptive of bank customer retention

Retention	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
I decided to keep my money in the bank because of the IDIC guarantee.	0	0%	5	3.5%	16	11.3%	73	51.8%	47	33.3%
With the existence of IDIC, I decided to continue saving in the bank with a large amount of money.	0	0%	5	3.5%	21	14.9%	61	43.3%	54	38.3%
I will keep my money in the bank if I have withdrawn a large amount.	0	0%	6	4.3%	11	7.8%	64	45.4%	60	42.6%
IDIC has been proven to guarantee the deposits of all customers.	0	0%	5	3.5%	19	13.5%	64	45.4%	53	37.6%

Source: Output from excel 2013, processed by authors (2023)

Hypotheses testing

The validity test can be seen based on the convergent validity results through the factor loading value. Overall factor loading shows a good value with an average of 0.8 per item (Table 8), thus exceeding the recommended standard value of 0.60 (Loewenthal, 2004).

Validity can not only be seen from the results of convergent validity, but also seen based on the results of discriminant validity. The average variance extracted (AVE) value will be met if the AVE value of each construct is > 0.5 (Hair et al., 2010). Table 9 shows that the AVE value in each construct exceeds 0.5 (0.746, 0.658, and 0.629) with a composite reliability (CR) of 0.922, 0.852, and 0.871, thus exceeding the minimum recommended CR value of 0.70 (Vinzi et al., 2010). The overall Cronbach Alpha (CA) is also met because it exceeds the recommended value of 0.600 (Kuncoro, 2013). It is recognized that the CA of each variable is 0.886, 0.74, and 0.803. Therefore, each item and variable is declared valid and reliable.

Table 8. Factor loading

Customer knowledge	Customer trust	Customer retention
CK1 : 0.876	CT1 : 0.816	CR1 : 0.738
CK2 : 0.874	CT2 : 0.812	CR2 : 0.843
CK3 : 0.872	CT3 : 0.807	CR3 : 0.791
CK4 : 0.833		CR4 : 0.798

Source: Output from SmartPLS, processed by authors (2023)

Table 9. Construct validity and reliability

	CA	CR	AVE	1	2	3
Customer knowledge	0.886	0.922	0.746	0.864		
Customer trust	0.74	0.852	0.658	0.604	0.793	
Customer retention	0.803	0.871	0.629	0.622	0.798	0.811

Source: Output from SmartPLS, processed by authors (2023)

Table 10 displays the results of the coefficient of determination R^2 . Customer knowledge and customer trust in IDIC is able to explain bank customer retention by 66.3%. While the rest is influenced by other variables. The R^2 value in this research data can be said to be moderate (Vinzi et al., 2010).

Table 10. Coefficient of Determination R^2

	R Square	Adjusted R Square
Customer retention	0.668	0.663

Source: Output from SmartPLS, processed by authors (2023)

Table 11 shows that the customer knowledge and customer trust variable has a positive and significant effect on bank customer retention. This can be seen based on the t statistic which is greater than the t table ($3.065, 10.694 > 1.96$) and p value ($0.002, 0.000 < 0.05$). The hypothesis results prove that if customers increasingly believe in the role of IDIC and have good knowledge of IDIC, it will increase bank customer retention.

Table 11. Result of hypotheses

	(O)	(M)	(STDEV)	T Statistic	P Values
Customer knowledge -> Customer retention	0.221	0.22	0.072	3.065	0.002
Customer trust -> Customer retention	0.665	0.666	0.062	10.694	0.000

Source: Output from SmartPLS, processed by authors (2023)

Discussion

The results reveal that customer knowledge and customer trust in IDIC have a positive and significant effect on bank customer retention.

The first hypothesis is accepted and supports the concept of customer relationship, where knowledge is explained as a strategy to maintain a good relationship between the company and the customer (Kim et al., 2003). Descriptive statistics reveal that almost half of the respondents are still unsure and unaware about the role, function, task, and performance of IDIC. Therefore, important information related to IDIC should be shared on social media to improve customer knowledge. People nowadays prefer listing to information

shared on social media ([Butzbach, 2014](#); [Filipiak, 2013](#); [Fungáčová et al., 2021](#); [Suljić Nikolaj et al., 2022](#)). Customer knowledge in IDIC serves as the basis for bank customers to achieve a satisfying experience. Information about the role and function of IDIC that is channeled well, can reduce the possibility of customers switching to other banks. The high level of customer knowledge on IDIC in protecting deposits at the bank can build a strong relationship between customers and banks. Thus, it will increase bank customer retention. Customers who are very familiar with the IDIC guarantee limit encourage customers to continue to save large amounts of money. It is very important that information about claim procedures if the bank defaults is well understood. This will reduce customer anxiety due to the large number of banks liquidated until 2021. The results of the first hypothesis are in line with ([Alhawari, 2012](#); [Bhat & Darzi, 2016](#); [Kabue, 2021](#); [Yaghoubi et al., 2011](#); [Yim et al., 2004](#)).

The second hypothesis is accepted and supports the commitment-trust theory ([Morgan & Hunt, 1994](#)), where trust is considered the main key to maintaining good relationships with customers in the long term. Descriptive statistics show that the majority of respondents believe in bank performance because of IDIC. Thus, it will increase bank customer retention. Significant trust in the duties, functions, and authority of IDIC will make customers keep large amounts of money in the bank without any doubts. This study provides empirical evidence that customer trust in IDIC encourages bank customer retention ([Alamsyah et al., 2020](#); [Demirgüç-Kunt et al., 2015](#)). Trust in IDIC provides a sense of security and protection to customers that their deposits will be protected in the event of bank failure. This can encourage customers to keep saving and entrust their savings to banks that are protected by IDIC. Customers who have trust in the banking system will generally be more likely to continue saving because they view the bank as a safe and trustworthy institution. If customers have high trust in IDIC, they tend to see the risk of bank failure as lower or well-managed. This can make customers feel more comfortable to saving in the bank. The results of the second hypothesis are in line with ([Famiyeh et al., 2015](#); [Gounaris, 2005](#); [Liu & Louvieris, 2006](#); [Ricadonna et al., 2021](#); [Simanjuntak et al., 2020](#)).

CONCLUSION

The purpose of this study was to investigate the customer knowledge and customer trust in IDIC on bank customer retention. Customer trust in banks has declined since the financial crisis and many banks have been liquidated. The Indonesian government formed IDIC to overcome this and increase customer trust again. Nonetheless, the knowledge about the function of IDIC in several provinces in Indonesia is still very minimal ([Alamsyah et al., 2020](#)).

Customer knowledge and customer trust are proven to have a positive and significant influence on bank customer retention. Therefore, it is important to increase knowledge and maintain trust in IDIC which will increase bank customer retention. If customers have great confidence in IDIC, then the risk of bank failure tends to be lower and well managed. Thus, customers feel more comfortable to save in the bank. In addition, knowledge about the role of IDIC that is channeled well reduces the possibility of customers switching to other banks.

The findings can be used as a reference for banks to determine the feasible strategy to improve customer trust and customer knowledge. IDIC need to conduct its duties and functions properly to keep the banking system stable. Improve customer knowledge and customer trust were important things to increase bank customer retention. This study offers a new concept with the integration of two theories, therefore it will be useful for future research. The findings are useful for addressing research gaps that have inconsistent results. In addition, this study also contributed to the G20 held in October 2022 regarding the improvement of the financial safety net where multilateral development banks are encouraged to strengthen its financing system to deal with the global economic challenges. In this context, the role of IDIC is significant in as the element of financial safety net.

In this survey study where questionnaires were distributed online, respondents might be less serious in filling out the questionnaires and they could possibly have looked up about IDIC elsewhere. The study applies two factors because there is a strong influence and high validity on bank customer retention ([Kabue, 2021](#); [Liu & Louvieris, 2006](#)). Thus, the study experienced limitations on the factors that influence bank customer retention. Future researchers are encouraged to perform interview and include more respondents from other age groups. In addition, the suggestion for future research is to be able to use and develop this conceptual framework to the fullest.

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